

2. **TERM OF CONTRACT.** [OPTION B]

This contract shall be in effect upon execution and thereafter for a term of ten years commencing with the first delivery of pigs to the Facility. Unless sooner terminated by default or by Producer's exercise of the right of early termination set forth at Paragraph 10, CF shall have the option, upon notice to Producer, to extend this Agreement for an additional seven year term on the same terms and conditions as provided for herein (subject to the payment adjustment as provided in the Producer Payment Schedule attached hereto). If CF exercises the Option and at the expiration of the extension of this Agreement, then the contract shall continue from year to year on the same terms and conditions as set forth herein until one party gives the other 365 days written notice of termination. After such notice this Agreement shall expire and be of no further force and affect.

3. **OBLIGATIONS OF CF.**

- A. CF will deliver pigs and Producer will accept all pigs delivered to Producer's Facilities for feeding and rearing on or about \_\_\_\_\_, 200\_\_.
- B. CF shall retain ownership of the pigs at all times. Producer agrees to execute documents that provide notice that CF is the owner of the pigs.
- C. CF agrees to deliver feed and veterinary services. CF shall also provide general instructions with respect to the care and proper husbandry of pigs. When necessary, at its discretion, CF will assist Producer with any mass treatment of the pigs located on Producer's premises.
- D. CF will perform all marketing functions involving the pigs. Producer will be notified 12 hours in advance of any delivery or removal of pigs from its Facility. Producer will be notified of the number of pigs either to be delivered or marketed. In no event shall pigs be removed from the Producer's Facility without the prior written consent of CF.
- E. Subject to any adjustments permitted by this Agreement, CF shall make payments to Producer for use of Facilities and services rendered under this Agreement according to the Producer payment schedule attached hereto and made a part hereof.

4. **OBLIGATIONS OF PRODUCER.**

- A. Producer agrees to provide the Facility and properly maintain the same at Producer's expense. Producer shall provide all labor and supervision necessary to grow pigs including but not limited to loading and unloading the pigs, dead pig disposal, rodent control and herd security. Producer shall furnish, at Producer's expense, the water, electricity and heat needed for the proper care of the pigs.